

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0479P

Use Tax

Calendar Years 1997, 1998, and 1999

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer's audit covers location no. 4 that consists of sales, installation and repair services. At audit, it was determined that the taxpayer failed to pay tax on fuel oil, promotional products, fixed assets, and other miscellaneous items.

Taxpayer failed to remit use tax on clearly taxable purchases although it had a use tax accrual system in place.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that it failed to remit use tax on clearly taxable purchases such as fuel oil, promotional products, telephone equipment, generator, and other miscellaneous taxable items.

Taxpayer states that it files its tax returns and payments in a timely manner. Taxpayer asks that the department look back at its history that shows that it made a good faith effort to report is taxes properly and accurately. Taxpayer requests a penalty waiver due to its monthly effort to report accurate information.

A review of the audit indicates that the purchases for which no use tax was accrued or paid amounted to twenty-one percent (21%), twenty-four percent (24%), and twenty-five percent (25%) of the use tax due (net of refunds) for calendar years 1997, 1998, and 1999 respectively. Taxpayer did not provide reasonable cause to allow a waiver of the penalty.

FINDING

Taxpayer's protest is denied.